

**WARREN TOWNSHIP**  
**MIDLAND COUNTY, MICHIGAN**

**\*\*\*\*\***  
**\*\*\***  
**\***

**FINANCIAL STATEMENTS**

**MARCH 31, 2004**

**\*\*\*\*\***  
**\*\*\***  
**\***

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Name (Specify) <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other <b>WARREN TOWNSHIP</b>		County <b>MIDLAND</b>	
Audit Date <b>MARCH 31, 2004</b>	Opinion Date <b>JUNE 10, 2004</b>	Date Accountant Report Submitted to State: <b>JULY 2004</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan, as required by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

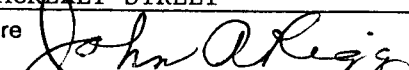
Certified Public Accountant (Firm Name) <b>JOHN A. RIGG, CPA</b>			
Street Address <b>4012 W. WACKERLY STREET</b>	City <b>MIDLAND</b>	State <b>MI</b>	ZIP <b>48640</b>
Accountant Signature 			

TABLE OF CONTENTS

Independent Auditor's report	1
Statement 1. - Combined Balance Sheet - All Fund Types and Account Groups March 31, 2004	2
Statement 2. - Combined Statement of Revenues, Expenditures, and Changes in Fund Balances All Governmental Fund Types For the Year Ended March 31, 2004	3
Statement 3. - Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended March 31, 2004	4
Notes to Financial Statements March 31, 2004	5-9
Supplementary Information	10
Statement 4. - Combining Balance Sheet - All Trust and Agency Funds March 31, 2004	11
Statement 5. - Statement of Changes in Assets and Liabilities Tax Agency Fund For the Year Ended March 31, 2004	12
Statement 6. - Trust and Agency Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended March 31, 2004	13
Statement 7. - General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended March 31, 2004	14
Schedule 1. - General Fund Schedule of Expenditures For the Year Ended March 31, 2004	15-17

\*\*\*\*\*

\*\*\*

\*

**JOHN A. RIGG**  
CERTIFIED PUBLIC ACCOUNTANT  
4012 W. WACKERLY STREET  
MIDLAND, MICHIGAN 48640-2298

TELEPHONE (989) 835-6774  
FAX (989) 835-9622

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Members of the  
Warren Township Board  
Midland County, Michigan

I have audited the accompanying general purpose financial statements of Warren Township, Midland County, as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the township's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Warren Township, Midland County, as of March 31, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Warren Township, Midland County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

  
John A. Rigg  
Certified Public Accountant

Midland, Michigan  
June 10, 2004

WARREN TOWNSHIP  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>General</u>	<u>Special Revenue</u>
<u>ASSETS</u>		
Cash in bank - checking	\$ 23,614.89	\$ 7,883.54
Cash in bank - savings	109,736.98	103,291.12
Federal U. S. Treasury Trust	204,470.81	
Certificates of deposit	482,682.03	110,000.00
Accounts receivable	111.46	500.00
Property taxes and assessments receivable	4,488.92	14,845.80
Due from other funds		
Fixed assets		
<u>Total assets</u>	<u>\$825,105.09</u>	<u>\$236,520.46</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 15,037.93	\$ 13,020.72
Payroll taxes withheld and accrued	622.46	
Due to other taxing entities		
Due to other funds	367.10	
Deposits	2,828.44	
<u>Total liabilities</u>	<u>\$ 18,855.93</u>	<u>\$ 13,020.72</u>
<u>FUND EQUITY</u>		
Investment in general fixed assets	\$	\$
Fund balance:		
Reserved for cemetery perpetual care		
Unreserved		
Designated for road improvements	44,314.52	
Undesignated	761,934.64	223,499.74
<u>Total fund equity</u>	<u>\$806,249.16</u>	<u>\$223,499.74</u>
<u>Total liabilities and fund equity</u>	<u>\$825,105.09</u>	<u>\$236,520.46</u>

See accompanying notes to financial statements.

Statement 1.

<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>TOTALS (Memorandum Only)</u>
<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>3-31-04</u>
\$ 2,084.33	\$	\$ 33,582.76
28,754.09		241,782.19
		204,470.81
		592,682.03
400.00		1,011.46
		19,334.72
367.10		367.10
	145,335.67	145,335.67
<u>\$ 31,605.52</u>	<u>\$145,335.67</u>	<u>\$1,238,566.74</u>
\$	\$	\$ 28,058.65
		622.46
4,035.48		4,035.48
		367.10
160.83		2,989.27
<u>\$ 4,196.31</u>	<u>\$ -0-</u>	<u>\$ 36,072.96</u>
\$	\$145,335.67	\$145,335.67
27,409.21		27,409.21
		44,314.52
		985,434.38
<u>\$ 27,409.21</u>	<u>\$145,335.67</u>	<u>\$1,202,493.78</u>
<u>\$ 31,605.52</u>	<u>\$145,335.67</u>	<u>\$1,238,566.74</u>

## WARREN TOWNSHIP

Statement 2.

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED MARCH 31, 2004

	GOVERNMENTAL FUND TYPES		TOTALS (Memorandum Only)
	General	Special Revenue	3-31-04
<u>REVENUES</u>			
Taxes and assessments	\$ 43,612.11	\$105,330.00	\$148,942.11
Zoning and variances	310.00		310.00
State shared revenue	151,605.00		151,605.00
Tax collection fees	14,704.49		14,704.49
Summer tax collection fee	3,092.50		3,092.50
Cemetery lot sales	3,600.00		3,600.00
Cemetery - grave openings and setting of markers	16,304.21		16,304.21
Interest earned	18,221.65	1,259.51	19,481.16
Rental of facilities	540.00		540.00
Miscellaneous	23.16		23.16
City of Coleman - street lighting	322.41		322.41
Coleman Public Schools	156.42	4,775.00	4,931.42
Sale of cemetery equipment	2,576.00		2,576.00
<u>Total revenues</u>	<u>\$255,067.95</u>	<u>\$111,364.51</u>	<u>\$366,432.46</u>
<u>EXPENDITURES</u>			
General government	\$123,424.08	\$	\$123,424.08
Public safety	56,734.96		56,734.96
Highways and streets	103,691.42		103,691.42
Sanitation		102,180.80	102,180.80
<u>Total expenditures</u>	<u>\$283,850.46</u>	<u>\$102,180.80</u>	<u>\$386,031.26</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>\$(28,782.51)</u>	<u>\$ 9,183.71</u>	<u>\$(19,598.80)</u>
<u>OTHER SOURCES (USES) OF FUNDS</u>			
Transfer from perpetual care	149.75		149.75
<u>Excess (deficiency) of revenues and other sources over expendi- tures and other uses</u>	<u>\$(28,632.76)</u>	<u>\$ 9,183.71</u>	<u>\$ (19,449.05)</u>
<u>FUND BALANCE - beginning</u>	<u>834,881.92</u>	<u>214,316.03</u>	<u>1,049,197.95</u>
<u>FUND BALANCE - ending</u>	<u>\$806,249.16</u>	<u>\$223,499.74</u>	<u>\$1,029,748.90</u>

See accompanying notes to financial statements.

WARREN TOWNSHIP  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes and assessments	\$ 45,000.00	\$ 43,612.11	\$ (1,387.89)
Zoning and variances	400.00	310.00	(90.00)
State shared revenue	173,500.00	151,605.00	(21,895.00)
Tax collection fees	15,000.00	14,704.49	(295.51)
Summer tax collection fees	3,200.00	3,092.50	(107.50)
Cemetery lot sales	3,500.00	3,600.00	100.00
Cemetery - grave openings and setting of markers	17,500.00	16,304.21	(1,195.79)
Interest earned	20,500.00	18,221.65	(2,278.35)
Rental of facilities	1,100.00	540.00	(560.00)
Miscellaneous	675.00	23.16	(651.84)
City of Coleman - street lighting	360.00	322.41	(37.59)
Election reimbursement	500.00		(500.00)
Coleman Public Schools	275.00	156.42	(118.58)
Sale of cemetery equipment		2,576.00	2,576.00
<u>Total revenues</u>	<u>\$281,510.00</u>	<u>\$255,067.95</u>	<u>\$ (26,442.05)</u>
<u>EXPENDITURES</u>			
General government	\$179,745.00	\$123,424.08	\$ 56,320.92
Public safety	58,500.00	56,734.96	1,765.04
Highways and streets	89,800.00	103,691.42	(13,891.42)
Sanitation	1,100.00		1,100.00
<u>Total expenditures</u>	<u>\$329,145.00</u>	<u>\$283,850.46</u>	<u>\$ 45,294.54</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>\$(47,635.00)</u>	<u>\$(28,782.51)</u>	<u>\$ 18,852.49</u>
<u>OTHER SOURCES (USES)</u>			
Transfer from perpetual care		149.75	149.75
<u>Excess (deficiency) of revenues and other sources over expenditures and other uses</u>	<u>\$(47,635.00)</u>	<u>\$(28,632.76)</u>	<u>\$ 19,002.24</u>
<u>FUND BALANCE - beginning</u>	<u>834,881.92</u>	<u>834,881.92</u>	
<u>FUND BALANCE - ending</u>	<u>\$787,246.92</u>	<u>\$806,249.16</u>	<u>\$ 19,002.24</u>

See accompanying notes to financial statements.



<u>SPECIAL REVENUE FUND</u>		
<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
\$114,807.00	\$105,330.00	\$ (9,477.00)
2,500.00	1,259.51	(1,240.49)
8,500.00	4,775.00	(3,725.00)
<u>\$125,807.00</u>	<u>\$111,364.51</u>	<u>\$ (14,442.49)</u>
\$	\$	\$
<u>100,000.00</u>	<u>102,180.80</u>	<u>(2,180.80)</u>
<u>\$100,000.00</u>	<u>\$102,180.80</u>	<u>\$ (2,180.80)</u>
\$ 25,807.00	\$ 9,183.71	\$ (16,623.29)
_____	_____	_____
\$ 25,807.00	\$ 9,183.71	\$ (16,623.29)
<u>214,316.03</u>	<u>214,316.03</u>	_____
<u>\$240,123.03</u>	<u>\$223,499.74</u>	<u>\$ (16,623.29)</u>

WARREN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Warren Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

A. Description of Reporting Entity

Warren Township was organized in February, 1872, and covers an area of 36 square miles with the township's seat located within the boundaries of the township. The township operates under the directorship of a township board consisting of five members. The township provides the following services: public safety, highways and streets, sanitation, public improvements and general administrative services.

B. Fund Accounting

The accounts of Warren Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types and fund categories as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - A special revenue fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Funds

Trust and Agency Funds - Trust and agency funds are used to account for assets held by the township in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. Agency funds are custodial in nature and do not involve measurements of results of operations.

C. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined on a basis of reporting only the current assets on the balance sheet.

WARREN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental and fiduciary funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available to finance expenditures of the fiscal period.

Expenditures are generally recognized when the related liability is incurred.

E. Budgets and Budgetary Accounting

Budgets for the general fund and special revenue funds are adopted annually on a basis consistent with generally accepted accounting principles. All budgets are adopted on a departmental (activity) basis.

F. Cash and Interest Bearing Deposits and Investments

Deposits are carried at cost. Deposits are in two banks in the name of Warren Township. Michigan Compiled Laws, Section 129.91, authorizes the local unit to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The local unit's deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosure for deposits at year end are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balances</u>
Insured	\$ 695,000.00	\$ 695,000.00
Uninsured	377,517.79	575,897.62
	<u>\$1,072,517.79</u>	<u>\$1,270,897.62</u>

The township does not have any investments which require disclosure of categories of risk in accordance with GASB Statement 3.

WARREN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

G. Vacation, Sick Leave and Deferred Compensation

The township does not provide vacation or sick leave benefits to its employees, nor does it have a deferred compensation plan.

H. Other Significant Data

1. Property taxes attach as an enforceable lien on the property as of December 1. Taxes are levied on December 1 and payable through February 28, at which time they are returned delinquent to the Midland County Treasurer. The full 2003 levy of the township's property tax is recognized as revenue of the current period. The uncollected property taxes as of March 31, 2004, are recognized as a receivable. The township bills and collects its own property taxes and also taxes for other governmental units. Collection of taxes and remittance of same are accounted for in the tax agency fund. Property taxes levied included .94 mill for general operations and .9719 mill for library services. A flat rate of \$100 is assessed all users for garbage disposal. The 2003 state equalized value and taxable value of property located in the township totaled \$56,902,075 and \$41,768,026, respectively. The delinquent real property taxes of Warren Township are purchased by the County of Midland. The taxes have been recorded as revenue for the current year.

2. A summary of changes in general fixed assets follows:

	Balance 3-31-02	Additions	Deductions	Balance 3-31-04
Land and land improvements	\$ 72,506.04	\$	\$	\$ 72,506.04
Building	12,579.00			12,579.00
Building improve- ments	13,583.76			13,583.76
Equipment	51,016.87		4,350.00	46,666.87
	<u>\$149,685.67</u>	<u>\$</u>	<u>\$ 4,350.00</u>	<u>\$145,335.67</u>

3. Memorandum totals are presented on Statements 1. and 2. These totals are not a required part of the statements and are presented for comparison purposes.
4. Special revenue funds - combining statement.  
The township has only one special revenue fund type, the solid waste fund. Accordingly, no combining financial statements are presented for this fund type.
5. Excess of expenditures over appropriations in budgetary funds.  
P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not expend funds in excess of those appropriated. During the year ended March 31, 2004, no fund made expenditures in excess of amounts appropriated.

WARREN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

6. Other required individual fund disclosures.

Generally accepted accounting principles require disclosure, as part of the combined statements, of certain information concerning individual funds including:

- a. Summary disclosures of changes in general fixed assets by major class. See Note H.2. for this information.
- b. Excess of expenditures over revenues in individual funds. During the year ended March 31, 2004, the general fund had expenditures in excess of revenues.
- c. Deficit fund balances of individual funds. No fund was in a deficit position at March 31, 2004.
- d. Individual fund interfund receivable and payable balances.

	<u>Receivable</u>	<u>Payable</u>
General fund	\$	\$ 367.10
Tax agency fund	367.10	
	<u>\$ 367.10</u>	<u>\$ 367.10</u>

7. The totals column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation, because interfund eliminations have not been made in the aggregation of this data.
8. The township provides pension benefits to all its salaried township officials through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus interest earnings. As established by board resolution, the township contributes a set amount for each employee for various ranges of gross earnings. However, in no event does the township contribute less than 7.5% of each employee's gross earnings. Employees have a mandatory contribution of 25% of the employer contribution and can voluntarily contribute an additional amount not to exceed 10% of their gross earnings. In accordance with these requirements, the township contributed \$2,185.88 during the current year and employees contributed \$2,995.30.

I. Risk Financing and Related Insurance Issues

The categories of risk of loss to which the township is exposed and for which it has purchased insurance are as follows: property damage, liability, accident workers compensation and theft. There have been no significant reduction in insurance coverage as compared to the previous year.

WARREN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

J. Jointly Governed Organizations

1. Area Fire Department - Geneva Township, Warren Township, Denver Township, Wise Township and the City of Coleman participate jointly in the operation of the Coleman Area Fire Department. The fire department is audited as a separate governmental unit. The financial records are kept by the Coleman Area Fire Department secretary who can be contacted at P. O. Box 366, Coleman, MI 48618. The funding formula approved by the members is based on population, assessed valuation and the number of residences. A breakdown of members' percentages of the net operating budget for the fiscal year of July 1, 2003, through June 30, 2004, is as follows:

Geneva Township	21.656%
Warren Township	45.929%
Denver Township	4.820%
Wise Township	11.776%
City of Coleman	<u>15.819%</u>
	<u>100.000%</u>

Warren Township's appropriation for the year ended 3-31-04 was \$55,424.26.

2. Library - Geneva Township, Warren Township and the City of Coleman participate jointly in the Coleman Area Library. The library is audited as a separate governmental unit. The financial records of the library are kept at the library at 111 First St., Box 515, Coleman, MI 48618. The funding of the library comes from the State of Michigan, penal fines and millage assessments of the local unit members. A breakdown of the members' contributions based on the 2003 levy is as follows:

Geneva Township	\$19,662.47
Warren Township	45,103.68
City of Coleman	14,118.28

Warren Township assessed its residents .9719 mill for the operation of the library which amounted to \$45,103.68. During the year ended March 31, 2002, the township approved supporting the construction of a new library in the amount of \$25,000. This amount was contributed during the year ended March 31, 2003.

SUPPLEMENTARY INFORMATION

WARREN TOWNSHIP  
COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS  
MARCH 31, 2004

Statement 4.

	Perpetual Care Fund	Tax Agency Fund	TOTALS (Memorandum Only) March 31, 2004
<u>ASSETS</u>			
Cash in bank	\$ 27,409.21	\$ 3,429.21	\$ 30,838.42
Due from Coleman Community Schools		400.00	400.00
Due from general fund		367.10	367.10
<u>Total assets</u>	<u>\$ 27,409.21</u>	<u>\$ 4,196.31</u>	<u>\$ 31,605.52</u>
<u>LIABILITIES</u>			
Due other taxing entities	\$	\$ 4,035.48	\$ 4,035.48
Due taxpayer		160.83	160.83
<u>Total liabilities</u>	<u>\$ -0-</u>	<u>\$ 4,196.31</u>	<u>\$ 4,196.31</u>
<u>FUND EQUITY</u>			
Fund balance			
Reserved for cemetery perpetual care	\$ 27,409.21	\$	\$ 27,409.21
<u>Total fund equity</u>	<u>\$ 27,409.21</u>	<u>\$ -0-</u>	<u>\$ 27,409.21</u>
<u>Total liabilities and fund equity</u>	<u>\$ 27,409.21</u>	<u>\$ 4,196.31</u>	<u>\$ 31,605.52</u>

See accompanying notes to financial statements.



## WARREN TOWNSHIP

Statement 5.

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## TAX AGENCY FUND

FOR THE YEAR ENDED MARCH 31, 2004

	Balance 4-1-03	Additions	Deductions	Balance 3-31-04
<u>ASSETS</u>				
Cash in bank	<u>\$ 1,611.29</u>	<u>\$1,425,061.35</u>	<u>\$1,423,243.43</u>	<u>\$ 3,429.21</u>
<u>LIABILITIES</u>				
Due to general fund	\$ 1,611.29	\$ 61,513.67	\$ 63,492.06	\$ (367.10)
Due to solid waste fund		109,344.20	109,344.20	
Due to Coleman Library		46,727.30	46,727.30	
Due to Delta College		108,792.26	108,792.26	
Due to Midland County		642,916.16	638,880.68	4,035.48
Due to Coleman Community Schools		365,523.01	365,923.01	(400.00)
Due Midland County Educational Service Agency		8.34	8.34	
Due State of Michigan		83,050.03	83,050.03	
Due Harsh Drive		490.00	490.00	
Due Brandy Lane		200.00	200.00	
Overpayments		6,491.38	6,330.55	160.83
Miscellaneous		5.00	5.00	
<u>Total liabilities</u>	<u>\$ 1,611.29</u>	<u>\$1,425,061.35</u>	<u>\$1,423,243.43</u>	<u>\$ 3,429.21</u>

See accompanying notes to financial statements.

## WARREN TOWNSHIP

Statement 6.

## TRUST AND AGENCY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Perpetual Care Fund</u>
<u>REVENUES</u>	
Contributions	\$ 975.00
Interest earned	<u>135.21</u>
<u>Total revenues</u>	<u>\$ 1,110.21</u>
 <u>EXPENDITURES</u>	 <u>\$ -0-</u>
 <u>Excess of revenues over expenditures</u>	 <u>\$ 1,110.21</u>
 <u>OTHER FINANCING SOURCES (USES)</u>	
Transfer to general fund	<u>(149.75)</u>
 <u>Excess of revenues and other sources over expenditures and other uses</u>	 <u>\$ 960.46</u>
 <u>FUND BALANCE - beginning</u>	 <u>26,448.75</u>
<u>FUND BALANCE - ending</u>	<u>\$ 27,409.21</u>

See accompanying notes to financial statements.

## WARREN TOWNSHIP

Statement 7.

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes and assessments	\$ 45,000.00	\$ 43,612.11	\$ (1,387.89)
Zoning and variances	400.00	310.00	(90.00)
State shared revenue	173,500.00	151,605.00	(21,895.00)
Tax collection fees	15,000.00	14,704.49	(295.51)
Summer tax collection fee	3,200.00	3,092.50	(107.50)
Cemetery lot sales, grave openings, setting of markers	21,000.00	19,904.21	(1,095.79)
Interest earned	20,500.00	18,221.65	(2,278.35)
Rental of facilities	1,100.00	540.00	(560.00)
Miscellaneous	675.00	23.16	(651.84)
City of Coleman - street lighting	360.00	322.41	(37.59)
Election reimbursement	500.00		(500.00)
Coleman Public Schools	275.00	156.42	(118.58)
Sale of cemetery equipment		2,576.00	2,576.00
<u>Total revenues</u>	<u>\$281,510.00</u>	<u>\$255,067.95</u>	<u>\$ (26,442.05)</u>
<u>EXPENDITURES</u>			
Township board	\$ 37,740.00	\$ 16,070.88	\$ 21,669.12
Supervisor	25,300.00	18,152.32	7,147.68
Elections	2,000.00		2,000.00
Clerk	18,525.00	11,448.81	7,076.19
Board of review	2,230.00	1,380.00	850.00
Treasurer	24,500.00	18,313.44	6,186.56
Township hall	19,950.00	15,608.45	4,341.55
Cemetery	46,100.00	41,477.94	4,622.06
Fire protection	57,000.00	55,427.56	1,572.44
Planning commission	3,400.00	972.24	2,427.76
Street lighting	1,500.00	1,307.40	192.60
Road maintenance	89,800.00	103,691.42	(13,891.42)
Sanitary landfill	1,100.00		1,100.00
<u>Total expenditures</u>	<u>\$329,145.00</u>	<u>\$283,850.46</u>	<u>\$ 45,294.54</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>\$(47,635.00)</u>	<u>\$(28,782.51)</u>	<u>\$ 18,852.49</u>
<u>OTHER SOURCES (USES) OF FUNDS</u>			
Transfer from perpetual care		149.75	149.75
<u>Excess (deficiency) of revenues and other sources over expenditures and other uses</u>	<u>\$(47,635.00)</u>	<u>\$(28,632.76)</u>	<u>\$ 19,002.24</u>
<u>FUND BALANCE - beginning</u>	<u>834,881.92</u>	<u>834,881.92</u>	
<u>FUND BALANCE - ending</u>	<u>\$787,246.92</u>	<u>\$806,249.16</u>	<u>\$ 19,002.24</u>

See accompanying notes to financial statements.

## WARREN TOWNSHIP

Schedule 1.

## GENERAL FUND

## SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>TOWNSHIP BOARD</u>			
Salaries and wages	\$	\$ 4,120.00	\$
Salary - constable		268.09	
Per diem		650.00	
Education and training		170.00	
Insurance and bonds		5,617.11	
Printing and publishing		184.17	
Dues		927.69	
Payroll taxes		1,601.94	
Retirement		1,254.65	
Miscellaneous		11.40	
Drain-at-large		1,265.83	
<u>Totals</u>	<u>\$ 37,740.00</u>	<u>\$ 16,070.88</u>	<u>\$ 21,669.12</u>
<u>SUPERVISOR</u>			
Salary	\$	\$ 15,500.00	\$
Per diem		200.00	
Office supplies		80.77	
Postage		514.43	
Telephone		280.35	
Mileage		75.60	
Education and training		245.00	
Equipment		1,256.17	
<u>Totals</u>	<u>\$ 25,300.00</u>	<u>\$ 18,152.32</u>	<u>\$ 7,147.68</u>
<u>ELECTIONS</u>			
Salaries	\$	\$	\$
Supplies			
Mileage			
Education and training			
<u>Totals</u>	<u>\$ 2,000.00</u>	<u>\$ -0-</u>	<u>\$ 2,000.00</u>
<u>CLERK</u>			
Salary	\$	\$ 8,100.00	\$
Per diem		400.00	
Salary - deputy		732.85	
Office supplies		1,173.73	
Postage		124.30	
Telephone		225.38	
Mileage		301.80	
Education and training		110.00	
Repair and maintenance		280.75	
<u>Totals</u>	<u>\$ 18,525.00</u>	<u>\$ 11,448.81</u>	<u>\$ 7,076.19</u>

## WARREN TOWNSHIP

Schedule 1.

## GENERAL FUND

(Continued)

## SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>BOARD OF REVIEW</u>			
Salaries and wages	\$	\$ 1,300.00	\$
Publishing and printing		80.00	
<u>Totals</u>	<u>\$ 2,230.00</u>	<u>\$ 1,380.00</u>	<u>\$ 850.00</u>
<u>TREASURER</u>			
Salary	\$	\$ 10,000.00	\$
Per diem		525.00	
Salary - deputy		988.75	
Supplies		2,272.65	
Postage		1,307.11	
Telephone		262.51	
Mileage		540.00	
Education and training		166.67	
Repair and maintenance		55.75	
Computer software		2,195.00	
<u>Totals</u>	<u>\$ 24,500.00</u>	<u>\$ 18,313.44</u>	<u>\$ 6,186.56</u>
<u>TOWNSHIP HALL</u>			
Supplies	\$	\$ 72.29	\$
Fuel and utilities		1,829.07	
Telephone		408.00	
Cleaning service		345.00	
Repair and maintenance		12,954.09	
<u>Totals</u>	<u>\$ 19,950.00</u>	<u>\$ 15,608.45</u>	<u>\$ 4,341.55</u>
<u>CEMETERY</u>			
Contract services	\$	\$ 40,274.96	\$
Veterans flags		516.41	
Supplies		30.00	
Printing and publishing		25.00	
Legal		32.00	
Utilities		223.57	
Repair and maintenance		376.00	
<u>Totals</u>	<u>\$ 46,100.00</u>	<u>\$ 41,477.94</u>	<u>\$ 4,622.06</u>
<u>FIRE PROTECTION</u>			
Contracted services	<u>\$ 57,000.00</u>	<u>\$ 55,427.56</u>	<u>\$ 1,572.44</u>

## WARREN TOWNSHIP

## GENERAL FUND

Schedule 1.

(Continued)

## SCHEDULE OF EXPENDITURES

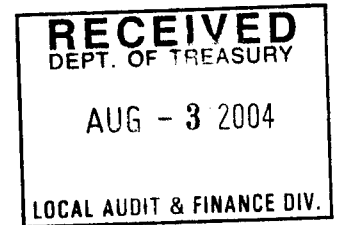
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>PLANNING COMMISSION</u>			
Salaries and wages	\$	\$ 870.00	\$
Supplies		28.00	
Printing and publishing		74.24	
<u>Totals</u>	<u>\$ 3,400.00</u>	<u>\$ 972.24</u>	<u>\$ 2,427.76</u>
<u>STREET LIGHTING</u>	<u>\$ 1,500.00</u>	<u>\$ 1,307.40</u>	<u>\$ 192.60</u>
<u>ROAD MAINTENANCE</u>			
Road brining	\$	\$ 5,880.00	\$
Road maintenance		97,811.42	
<u>Totals</u>	<u>\$ 89,800.00</u>	<u>\$103,691.42</u>	<u>\$ (13,891.42)</u>
<u>SANITARY LANDFILL</u>			
Supplies	<u>\$ 1,100.00</u>	<u>\$ -0-</u>	<u>\$ 1,100.00</u>
<u>Total expenditures</u>	<u>\$329,145.00</u>	<u>\$283,850.46</u>	<u>\$ 45,294.54</u>

See accompanying notes to financial statements.

**JOHN A. RIGG**  
CERTIFIED PUBLIC ACCOUNTANT  
4012 W. WACKERLY STREET  
MIDLAND, MICHIGAN 48640-2298

TELEPHONE (989) 835-6774  
FAX (989) 835-9622



To the Honorable Members of the  
Warren Township Board  
Midland County, Michigan

COMMENTS AND RECOMMENDATIONS

In connection with my recently completed audit of the books and records of Warren Township, I have the following comments.

1. It was noted that some areas of the budgeted revenues were not amended as required. Revenues as well as expenditures are to be amended when the department totals indicate a shortfall.
2. Amounts paid to board members as "per diem" are to be recorded in the same manner as other salaries and wages and are subject to social security, medicare and pension. These amounts were not included as part of the reports submitted to the Internal Revenue Service.
3. When the township pays the medicare or social security for its officers, the amount must be added to the reported income of that person for earnings purposes.

I wish to thank the township personnel for their assistance in the completion of the audit. The township records are enjoyable to work with.

Sincerely,

A handwritten signature in cursive script that reads "John A. Rigg". The signature is written in dark ink and is positioned above the printed name and title.

John A. Rigg  
Certified Public Accountant

Midland, Michigan  
June 10, 2004